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**EMBARGOED UNTIL 9AM EST THURSDAY, JULY 25, 2019**

## **Automakers Announce Terms with California on Greenhouse Gas Regulations**

- In coordination with CARB, four major automakers agree to a new voluntary framework for meeting future greenhouse gas standards

**WASHINGTON, July 25, 2019** – Ford, Honda, Volkswagen and BMW of North America today announced terms agreed to by the California Air Resources Board (CARB) to preserve a single 50-state framework for the regulation of greenhouse gas (GHG) emissions from vehicles. These terms will provide regulatory stability, preserve vehicle affordability for customers, reduce compliance costs and result in increased environmental benefits.

**“Ensuring that America’s vehicles are efficient, safe and affordable is a priority for us all,”** said the automakers. **“A 50-state solution has always been our preferred path forward and we understand that any deal involves compromise. These terms will provide our companies much-needed regulatory certainty by allowing us to meet both federal and state requirements with a single national fleet, avoiding a patchwork of regulations while continuing to ensure meaningful greenhouse gas emissions reductions.”**

This agreement with CARB is available to all automakers.

The terms are as follows:

- **Revised Greenhouse Gas Standards:** GHG standards, beginning in the 2022 model year (MY) and extending through the 2026 MY, with increasing stringency at a nationwide average annual rate of 3.7% (year-over-year). Of the 3.7% annual stringency, 1% can be achieved using the advanced technology multiplier credits, below.
- **Appropriate Flexibilities to Promote Zero Emission Technology:** Continue current advanced technology multipliers that now expire after MY 2021, extending them through MY 2024 at the current 2.0x for Battery Electric and Fuel Cell Electric Vehicles (BEV/FCEV), and 1.6x for Plug-in Hybrid Electric Vehicles (PHEV), tapering off at the current MY 2020 and MY 2021 levels in MY 2025 and MY 2026, respectively.
- **Simplify Accounting:** Remove the requirement to account for upstream emissions of fuels, as these can be addressed by other programs.



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- **Increase Innovation:** Raise the current cap on off-cycle menu credits, which account for actions taken outside the formal test cycle framework, from 10 grams per mile to 15 grams per mile starting in MY 2020.
- **Streamlining and Process Improvements:** Improve the off-cycle credit program to facilitate timely review and decision-making regarding the approval of new off-cycle technologies.
- **Recognize California's Authority:** Participating companies are choosing to pursue a voluntary agreement in which California accepts these terms as compliance with its program, given its authority, rather than challenge California's GHG and ZEV programs.

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